

Trade Helps Africans Help Themselves

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A year ago this month Republicans and Democrats joined together to take a historic step in transforming America's economic and political ties with Africa. By passing the African Growth and Opportunity Act, the United States offered duty-free access for nearly all goods produced in 35 nations of sub-Saharan Africa.

The Africa trade law represents a new approach by the U.S. to working with the countries of sub-Saharan Africa, the poorest region of the world. As President Bush has pointed out, we must offer these countries a real opportunity to join us as we advance a world of free trade and free people.

Early results are encouraging. U.S. imports from beneficiary countries are up 24% over the first three months of this year compared to the same period in 2000. Some countries experienced staggering increases -- Madagascar and Senegal were up 138% and 544%, respectively. For apparel, one of the key sectors covered by the law, imports are up more than 30%.

These dry numbers mean jobs and improved prospects for families in sub-Saharan Africa. Equally important, they offer that unquantifiable value: hope, backed by a sense that Africans can move from colonial legacies, dependency and frustration to empowerment, responsibility and opportunity.

Consider some specifics. Lesotho has stated that its new trading possibilities have prompted plans for over \$120 million in new investment. Kenya estimates the Africa trade law will help it to create 50,000 jobs directly and another 150,000 jobs indirectly over the next few years. South Africa expects investment of at least \$100 million in its textile and apparel facilities, creating 13,000 jobs.

Opponents have charged that liberalizing trade between the U.S. and Africa hurts American industries and exploits African workers. In fact, U.S.

exports of products such as aircraft, machinery, automobiles and wheat to sub-Saharan Africa for the first three months of this year are up 23% compared to the same period last year. And as African economies grow, they will require billions of dollars of infrastructure, services and industrial goods; these are sectors in which American businesses and workers are among the most competitive.

African exports to the U.S. are only a small amount of all U.S. imports, and African products certainly have not disrupted U.S. industry. By cutting the taxes on these imports, we also reduce the costs of clothing, food, footwear and other basic goods that compose a large part of the budget for America's low- and moderate-income families. (The gains in higher income and lower prices from America's two big trade agreements in the 1990s -- Nafta and the Uruguay Round -- saved the average American family of four between \$1,300 and \$2,000 a year.)

As for the effect of open trade on African workers, when U.S. companies open operations in Africa, they pay higher wages and encourage better labor standards and environmental protections than local businesses. That's why every sub-Saharan African nation endorsed the passage of Africa trade law last year.

The trade reforms can also help governments struggling to pursue broader economic reforms. Trade rules emphasize transparency, open competition, and the development of energetic private sectors; they resist corruption, red tape, and schemes for state economic planning and controls.

And open trade with Africa offers political benefits as well. Over time, economic liberty infuses the spirit of political liberty, as we have seen in Mexico under Nafta. Trade, growth, openness and the ability to compare local conditions with experience around the world create a powerful, self-reinforcing dynamic that challenges societies to improve.

We recognize that trade alone is not sufficient for development and growth. The Africa trade law is complemented by a number of other programs to deal with the HIV/AIDS pandemic and ease high debt burdens. On May 11, President Bush announced that the U.S. would make a \$200 million contribution to the global fund to combat HIV/AIDS, malaria and tuberculosis, for a total U.S. contribution to counter AIDS of \$680 million. One of my first steps in office was to extend and expand a flexible interpretation of intellectual property rules to assist efforts to combine low-cost medicines with comprehensive HIV/AIDS health projects.

I hope the Africa trade law will be but the first step on a road to a new type of U.S.-African economic relationship. This future will be marked by dynamism, not stagnation; the rule of law, not cronyism; responsibility, not dependency; human decency, not cruelty; and individual achievement, not stultifying states. For our countries, this future will be founded on mutual respect. And when Africa breaks into the bright light of a new day of democracy and economic vibrancy, I believe that the African Growth and Opportunity Act will be seen as instrumental in pointing the way.

Mr. Zoellick is the U.S. trade representative.

(See related letter: "Letters to the Editor: Apparel `Cap' Hurts U.S.-Africa Trade" -- WSJ June 1, 2001)